

REQUEST FOR APPLICATIONS

FOR

CLINIC CAPACITY EXPANSION PROJECT

FUND 1: INFRASTRUCTURE PROJECTS (\$7.8 M)
FUND 2: ADDITIONAL PATIENTS/ VISITS (\$35.5 M)
FUND 3: EQUITY FUNDS SPA 2 (\$2.7 M)

March 27, 2009

1.0 INTRODUCTION

The Los Angeles County Department of Health Services (DHS) has issued this Request for Applications (RFA) to create and support new clinic sites and capacity in underserved Service Planning Areas (SPAs) in Los Angeles County. This “Clinic Capacity Expansion Project” is intended to provide funds for infrastructure projects (including new construction, renovations, and equipment) to new and existing community health clinics in high-need areas of Los Angeles County. New and existing Eligible Applicants as described in Section 3 are encouraged to apply.

Total funding for the Expansion is available as follows:

1. Infrastructure projects: \$7.8 million in total available funding for Service Planning Areas (SPAs) 1, 3, 6, 7, and 8. (See Attachment A- SPA Map). These funds are intended for capital projects/renovations to add new clinic capacity in these SPAs. Project must be completed within two (2) years of the effective date of the agreement.
2. Increased capacity for primary care and specialty services: \$35.5 million over a three (3) year period in total available funding for SPAs 1, 3, 6, 7, and 8. The first priority for these funds is to support the operational costs of new clinic sites chosen from the \$7.8 million capital/ infrastructure projects. Second priority for these is to increase capacity for potential new and current Eligible Applicants in underserved geographic areas of these SPAs (See page 14, Section 7.1 Selection Process, Estimated Distribution of RFA Funds table). In addition, current Public-Private Partnership (PPP) Program providers with clinic sites in SPAs 2, 4, or 5 are eligible to apply for funding as part of this RFA if they provided at least fifty percent (50%) of their PPP visits to patients who reside in SPAs 1, 3, 6, 7, and 8 during FY 2005-06, 2006-07, or 2007-08. (See Attachment B, VISITS BY SPA OF RESIDENCE.) The funds must be used to provide services for residents of the underserved SPAs.
3. Infrastructure projects and additional primary care and specialty services SPA 2: up to \$2.7 million in funding for Infrastructure and Increased Capacity will be available to Eligible Applicants in SPA 2 who wish to apply. Funding will be available for one (1) year with possible funding for two (2) additional years. (Note: The County Board of Supervisors has allocated \$2.7 million in Fiscal Year (FY) 2007-08 year-end unspent PPP Program funds, and any FY 2008-09 and FY 2009-10 year-end unspent PPP funds, to SPA 2 in order to address any issues of inequity.

All infrastructure projects funded as part of this RFA must be completed within two (2) years of the effective date of the agreement. The Los Angeles County Department of Health Services (DHS or Department) will be responsible for administering the Agreements which result from this application process.

2.0 PROGRAM PURPOSE

The purpose of the funding is to create new health care infrastructure and expand clinic capacity in SPAs 1, 3, 6, 7, and 8. These one-time only funds have been allocated to increase capacity, in the underserved geographic areas of the County with the least amount of existing resources, so that the Eligible Applicant can be prepared to take advantage of other available or new funding opportunities to sustain their operations. DHS may determine that the needs of a geographic area would be best and most expeditiously served by the expansion of an existing Eligible Applicant, if the County fails to receive and/or there are not enough successful applications for new clinic sites. (See Attachment C, PPP PROGRAM GUIDELINES).

Funds may be used for:

- Primary care services (including ancillary and pharmacy services that are provided as part of the visit). (See Attachment D, DESCRIPTION OF SERVICES – PRIMARY HEALTH CARE SERVICES).
- Specialty care services, including but not limited to office visits and procedures, outpatient surgery or consultations, support services, charting to medical records and administrative management. (See Attachment E, DESCRIPTION OF SERVICES - SPECIALTY CARE SERVICES).
- Capital projects and/or renovations to add new clinic capacity.

The foundational principles for the Clinic Capacity Expansion Program include:

- Projects must expand access to services and increase health clinic infrastructure in underserved geographic areas of Los Angeles County (SPAs 1, 3, 6, 7, and 8)
- Projects must leverage maximum outside funding.
- Projects must expand the services beyond the level currently being provided by PPP Program partners.
- Agencies requesting funds as a part of this RFA shall participate with DHS in the development and reporting of quality/outcome measures.

- During the term of the Agreement, Eligible Applicant(s) should have or develop the capacity to electronically transmit patient-level data elements for the performance measures listed in Attachment D, DESCRIPTION OF SERVICES – PRIMARY HEALTH CARE SERVICES. If the Eligible Applicant does not, currently have the capacity to submit the patient level data electronically, they may submit summary reports until they can begin electronic data transmission.
- Projects should strive to improve access to primary care for patients who do not currently have medical homes and are seen in DHS Emergency Departments, Urgent Care Centers and Specialty Clinics. Note: Strategic Partners who receive funding as part of this RFA will participate with DHS in a pilot project to determine the effectiveness of referring patients from DHS to medical homes in the community. The design of the pilot project will be developed in collaboration with the participating agencies and DHS representatives. Strategic partners will dedicate a portion of the new patient capacity resulting from this RFA to accepting DHS referrals as part of the pilot project.

3.0 ELIGIBLE APPLICANTS

Eligible Applicants for the Clinic Capacity Expansion Project are:

1. New clinics who are not currently partnering with the County of Los Angeles under the Public-Private Partnership (PPP) Program, but who wish to do so. These clinics must meet the guidelines for the PPP Program. (See Attachment C, PPP PROGRAM GUIDELINES).
2. Existing PPP Program Partners in good standing with DHS under their current agreements who meet all licensing requirements and whose certifications are up to date. Current sites within agencies that are underutilizing their allocations will not be eligible for expansion funds. Note: Paid claims data for FY 2007-08 and FY 2008-09 will be used to determine the fund utilization for agencies or sites within agencies which were PPP providers during FY 2007-08. Paid claims data for FY 2008-09 will be used to determine the fund utilization for agencies or sites within agencies which joined the program during FY 2008-09.

Eligible Applicants are encouraged to partner with other Eligible Applicants and with other public and private health care providers to submit collaborative applications that promote coordination of care and integration of services.

NOTE: Successful Applicants under this RFA shall be subject to the Terms and Conditions of the Public-Private Partnership Program Health Care Services Agreement (See Attachment F, SAMPLE AGREEMENT). This sample agreement is for services only. A separate agreement and/or exhibit will be developed for infrastructure projects.

Further, County reserves the right to modify the Terms and Conditions of this sample agreement.

4.0 AVAILABLE FUNDS

4.1 FUND 1- \$7.8 MILLION IN INFRASTRUCTURE PROJECTS

FUNDING LEVEL

Up to \$7.8 million will be made available to Eligible Applicants in SPAs 1,3,6,7 and 8 for infrastructure project(s) including new construction, renovation(s) and equipment. Projects should already be planned or designed/initiated with expected completion within two (2) years of the effective date of the agreements.

- First priority for the funding will be the creation of new clinic sites in underserved geographic areas of SPA 1, 3, 6, 7, and 8. Second priority for the funding will be for the expansion of existing clinic sites.
- Projects may include: a) New or expanded school-based health clinics that offer services to families; and b) agencies providing services at County facilities (Co-locations and takeover sites).
- Funding must only be used to expand health care services and must not be used to supplant existing funding, whether that funding is from the County of Los Angeles or another source.
- Applicants for these funds must identify how County funds will leverage other funding and how the clinic and new services will be sustainable after the term of any resultant agreement expires.

Note: Agencies who do not complete the infrastructure projects within two (2) years will be required to repay the funds provided for this purpose by the County of Los Angeles. The County of Los Angeles will not be responsible for any cost overruns. Agencies who are granted funds for infrastructure projects must commit to providing services to indigent PPP eligible clients at

the facility which is constructed/renovated for at least five (5) years following the completion of the project without further funding from the County of Los Angeles for this purpose.

REIMBURSEMENT METHODS FOR INFRASTRUCTURE PROJECTS

Eligible Applicants must select one (1) of two (2) reimbursement methods per each infrastructure project(s) (See Attachment G, COVER PAGE). Reimbursement options for infrastructure project(s) are as follows:

Option 1: Reimbursement upon completion of infrastructure project(s)

One hundred percent (100%) reimbursement of the actual cost(s) or allocated funds, whichever is less, after the inspection, document review and on-site certification of successful project completion by an agent of the County of Los Angeles.

Option 2: Reimbursement in Phases

Phase One: Completion of the design.

Phase Two: Construction.

Phase Three: Project completion.

INFRASTRUCTURE PAYMENT SCHEDULE FOR OPTION 2:

Infrastructure project(s) payment(s) shall be processed as follows:

Phase One: Design – Ninety percent (90%) of the cost invoiced. Ten percent (10%) of the invoiced amount shall be withheld pending successful completion of the project.

Phase Two: Construction – Invoices to be submitted monthly in arrears. Ten percent (10%) of payment shall be withheld pending successful completion of the project.

Phase Three: Project Completion – The ten percent (10%) withheld from Phases One and Phase Two shall be paid after the inspection, documented review and on-site certification of successful project(s) completion by an agent of the County of Los Angeles.

Total payment for all Phases shall not exceed the actual cost or the amount of funds allocated for the project(s), whichever is less.

Agency is to submit the required documents at the end of each Phase.

Required documents may include but are not limited to, invoices, proof of

payments, documents to substantiate the on-site review, and any other documents to support the completion of each Phase.

4.2 FUND 2- \$35.5 MILLION TO EXPAND CAPACITY TO NEW PATIENTS

FUNDING LEVEL

Up to \$ 35.5 million will be available to Eligible Applicants in SPAs 1,3,6,7 and 8 to expand access to primary care and specialty care services for new patients in these geographic areas. Note: A new patient is defined as an individual who has not received services at the applicant agency within the past twenty-four (24) months, as an enrollee in the PPP or Healthy Way LA (HWLA) programs.

- The first priority for these funds will be to support clinic sites chosen from the \$7.8 million capital/infrastructure projects. Second priority for these include the following, which DHS will evaluate on a case-by-case basis:
 - funds to increase capacity for additional visits at existing at existing community clinics in underserved geographic areas of SPAs 1, 3, 6, 7, and 8.

In addition, current PPP providers with clinic sites in SPAs 2, 4, and 5 are eligible to apply for funding as part of the RF if they provided at least fifty percent (50%) of their PPP visits to patients who reside in SPAs 1, 3, 6, 7, and 8 during FYs 2005-06 or 2006-07 or 2007-08. (See Attachment B, VISITS BY SPA OF RESIDENCE.) The funds must be used to provide services for residents of the underserved SPAs.

As this is one-time only funding, applicants for these funds must identify how County funds will leverage other funding and how the clinic will be sustainable after the term of these agreements expire.

Funding must only be used to expand and enhance health care services and must not be used to supplant existing funding, whether that funding is from the County of Los Angeles or another funding source.

Reimbursement Method for Primary Care and Specialty Care

Reimbursement for primary care and specialty care services shall be at rates established for the PPP program (See Attachments H and I, BILLING AND PAYMENT – PRIMARY HEALTH CARE AND SPECIALTY CARE SERVICES).

4.3 FUND 3- \$2.7 MILLION OF EQUITY FUNDS- SPA 2 FUNDING LEVEL

Up to \$2.7 million will be available to address issues of inequity in SPA 2. Funds may be used for both infrastructure projects, as well as, to expand capacity for primary care and specialty care services for new patients. Eligibility criteria for infrastructure and capacity development funds, and the reimbursement mechanisms are described in Sections 4.1 and 4.2 above.

5.0 APPLICATION SUBMISSION INSTRUCTIONS

5.1 General Format Requirements

Applicants must follow the general format requirements below when submitting an application.

- Application must be typewritten or machine printed, on 8 1/2-inch by 11-inch paper, double-spaced, using a font no smaller than 10-point, with all margins measuring 1 inch.
- Applicant must submit one (1) original and eight (8) duplicate copies of the application.
- Application must be submitted by the Application submission deadline of **4:00 p.m., Wednesday, May 27, 2009.**
- Application must be submitted to the following address:

Department of Health Services
5555 Ferguson Dr. Suite 210-01
Commerce, CA. 90022
Attention: Gretchen McGinley, Director
Office of Ambulatory Care

The County shall not take any responsibility for the non-receipt or handling of any application that is mailed.

5.2 Content, Sequence, and Format Instructions

All Applicants submitting applications under this RFA are required to follow the format(s) as described below. Applications that do not conform to the required format may not be considered for review in the Interim Director's sole discretion.

General Requirements:

The application must contain the following information in the order listed. For applications to be eligible for consideration all questions must be answered completely and all required documents must be provided by the submission **due** date of **May 27, 2009**.

- ☐ **Introductory Letter** (See Attachment J for required format)
- ☐ **Cover Page** (See Attachment G)
- ☐ **Required Document Checklist** (See Attachment K)
- ☐ **Project Narrative** (Maximum of 10 pages)

A. Funding for Infrastructure Project(s) \$7.8 Million available – (All Projects must be completed no later than **two (2) years after the effective date of the agreements**).

1. Describe the proposed project, including detailed information related to the new programs and services that will be offered, the projected number of new patients who will be served by this project, and the staffing plan for the new and/or expanded program(s).
2. Describe the effect that infrastructure project(s) will have on clinic service capacity, including the number and type of new exam room(s) that will be created.
3. Describe any staffing changes that will result from proposed project.
4. Describe the significance of the project and how it will successfully expand access to health care services in underserved geographic areas of Los Angeles County. Specifically, how will this project meet the need for increased capacity in these areas? How will the project increase the ability to treat additional patients?
5. Describe how the proposed project will improve the quality of patient care that you already provide.
6. Describe how the project will improve clinic service coordination and make your operation more efficient.

7. Provide a detailed explanation of how much operational funding the project will require once the infrastructure project has been completed (see subparagraph B below)
8. Describe your anticipated total funding for this project and what other funding you have intended to leverage.
9. Provide a timeline for the various stages of the project and date of completion for the following: design phase, plan check, building permit, selection of a contractor, licensing, and facility opening.
10. Describe how the project was initiated and where it is in its current stage of development.
11. Discuss problems that might impact the project's implementation or timeline and your plans for addressing them.
12. State if a conditional use permit is required. If yes, explain why, the steps to obtain it, where the project is in the process, and the anticipated date it will be issued.
13. Describe how land and/or building was or will be acquired for the proposed project and provide a copy of signed land acquisition and/or lease document(s) (if available.)

B. Funding for Increased Capacity for New Patients (\$35 Million available)

1. For Eligible Applicants applying for participation in the \$7.8 million in Infrastructure funds, provide a detailed explanation for how much of this funding you will need to make your new clinic site operational over the next three (3) years.
2. For all Applicants, describe in detail the total funding that you are seeking from the County, for what purposes, and what other funding you intend to leverage for your project.
3. Describe how the proposed use of this funding will expand access to health care services in the underserved areas of Los Angeles County. How will the project increase the ability to treat additional patients? Include number of patients seen in Fiscal Year (FY) 2007-08 and number of visits provided to uninsured patients under 133% Federal Poverty Level (FPL).
4. Describe in detail the targeted population that you plan on serving with this funding. Include geographical residence by SPA of the intended population serve and your experience serving this population. (See Attachment A, SPA MAP)
5. Describe how services provided by Eligible Applicant will be sustained after the funding ends.

6. Describe how you plan to coordinate services with other public and private health care providers and indicate what portion of new capacity will be dedicated to accepting referrals from DHS.
7. Describe how patient care will be managed if patients need services not provided by the Applicant and need to be referred to other providers.
8. Describe how you will evaluate the effectiveness of the new services being provided and how improvements in access to health care, health care outcomes, and health disparities will be measured; how data will be collected, analyzed and reported to DHS.
9. Describe agency's Quality/Performance Improvement Program (QI/PI). (Attach copy of the QI/PI plan and data for current projects.
10. Describe if Eligible Applicant currently has the capacity to electronically transmit patient level data for data elements, (See Attachment D, DESCRIPTION OF SERVICES PRIMARY HEALTH CARE). If not, describe how Eligible Applicant plans to provide the required data elements electronically by the end of the contract term.

☐ **Project Budget Form**

For Infrastructure Projects:

1. Complete Budget/Revenue Form. (See Attachment L).
2. At least 10 point font must be used and the budget must not exceed one page.
3. State if the construction budget is an estimate.

☐ **Financial Information:**

For Infrastructure Projects:

1. Provide a brief justification of each budget line item, including the allocation of DHS funds.
2. Describe the financial threshold, if any, in order to go to bid and start of construction.
3. Provide an updated list of public and private sources of financial support for the project, including:
 - amounts committed to date, including Board and/or institutional support;

- whether cash or pledges;
 - any conditions on pledges; and
 - pending financial support for the project and expected date of notification.
4. Indicate the amount and terms of bridge (short-term) and/or long-term financing, if any, the project will use, and describe the repayment plan.
 5. State current budget for programs that will be operated in the new facility and projected increase in the program budget for each Fiscal Year (FY) through 2010/11 after the new facility opens.
 6. Discuss how current trends in private giving and public funding might affect the revenue projections for completing the project.
 7. Explain why DHS funding is essential to this project.

For Additional Patients/ Visits:

1. Complete one (1) Workplan for each service category with site specific allocation(s) for each FY of the proposed services (See Attachments M and N, WORKPLAN STATEMENT OF WORK, PRIMARY CARE AND SPECIALTY CARE).

5.3 Notice To Proposers Regarding The Public Records Act

Responses to this RFA shall become the exclusive property of the County. At such time as DHS recommends selected applicants to the Board of Supervisors (Board) and such recommendation appears on the Board agenda, all such applications submitted in response to this RFA, become a matter of public record, with the exception of those parts of each application which are defined by the Eligible Applicant(s) as business or trade secrets, and plainly marked as "Trade Secret," "Confidential," or "Proprietary."

The County shall not, in any way, be liable or responsible for the disclosure of any such record or any parts thereof, if disclosure is required or permitted under the California Public Records Act or otherwise by law. **A blanket statement of confidentiality or the marking of each page of the application as confidential shall not be deemed sufficient notice of exception. The Eligible Applicant(s) must specifically label only those provisions of the application which are "Trade Secrets," "Confidential," or "Proprietary" in nature.**

6.0 RFA TIMELINE

Release of RFA	March 27, 2009
Eligible Applicants Conference.....	April 13, 2009
Application Submission Deadline (4:00 PM)	May 27, 2009
Notification of Selection.....	July 07, 2009
Anticipated Contract Approval Board of Supervisors.....	August 18, 2009
Anticipated Initiation of Services	August 18, 2009

NOTE: An Eligible Applicants Conference is scheduled for 1:30 p.m. to 4:30 p.m., on April 13, 2009 at Health Services Administration, 313 No. Figueroa St., Los Angeles, CA 90012, Auditorium. DHS strongly encourages all potential applicants to attend the Eligible Applicants Conference as this will be your last opportunity to ask questions.

If potential applicants are not able to attend the Eligible Applicants Conference, DHS will be accepting written questions via email up to 4:00 p.m., Friday, April 10, 2009. All questions must be submitted to mapodaca@dhs.lacounty.gov and please include the following as your subject line: RFA Clinic Capacity Expansion Project Q/A. All responses will be posted on the Office of Ambulatory Care's website at <http://ladhs.org/wps/portal/AmbulatoryCare> no later than 5:00 p.m., April 17, 2009

7.0 SELECTION PROCESS AND EVALUATION CRITERIA

7.1 Selection Process

An Evaluation Committee comprised of County representatives and/or appropriate experts, free from actual or potential conflicts of interest, and as selected by Interim Director of DHS or his designee will be responsible for evaluating all applications submitted.

Final selection and recommendation of any resultant contract to the County Board of Supervisors will be made by the Director based on the recommendations of the Evaluation Committee and any relevant independent evaluation or inquiries.

In accordance with the Allocation Methodology Formula adopted by the Board of Supervisors, the Department will strive to allocate all funds under the RFA among SPAs to achieve relative improvement in equity among

SPAs. Accordingly, consideration will be given to funding applications that attain this goal of equity.

The following table contains the estimated fund distribution by SPA:

Estimated Distribution of RFA Funds

SPA	Infrastructure (\$7.8M)	Services (\$35.5M)	Total Funds (incl. \$2.7M)
	Amount	Amount	Amount
1- Antelope Valley	\$439,000	\$2,000,000	\$2,439,000
2- San Fernando			\$2,700,000
3- San Gabriel	\$1,780,000	\$8,100,000	\$9,880,000
4- Metro	--	--	--
5- West	--	--	--
6- South	\$2,609,000	\$11,878,000	\$14,487,000
7- East	\$2,464,000	\$11,215,000	\$13,679,000
8- South Bay	\$508,000	\$2,307,000	\$2,815,000
	\$7,800,000	\$35,500,00	\$46,000,000

NOTE: The \$2,700,000 allocation for SPA 2 may be used for a combination of infrastructure and services.

7.2 Evaluation Process

Phase One: Pass/Fail Evaluation

During Phase One, a pass/fail evaluation will be made of the application to determine compliance with the minimum requirements of this RFA and Applicant's compliance with the minimum qualifications.

Failure in any of the pass/fail criteria may be cause for disqualifying the application from further review, as determined at the sole discretion of the Interim Director. The pass/fail criteria are:

- Application was received by DHS by the final application submission deadline.
- Application includes all required documents.
- Applicant meets minimum requirements/qualifications as set forth in the RFA.

Only applications that pass Phase One will proceed to Phase Two.

Phase Two: Score of Written Material

Phase Two shall consist of a scorecard evaluation by an independent committee composed of County representatives and/or other experts free of actual or potential conflicts of interest.

The applications will receive a numerical score based on the weighted average of the criteria below.

Criteria for Funding Increased Capacity to See New Patients	Weighting
Application significantly increases access to quality patient care in underserved areas of SPAs 1, 2, 3, 6, 7, and 8	30%
Applicant has a demonstrated presence in the community and a historical track record of providing good, quality health care to the target population.	20%
Agency has demonstrated that it is capable of coordinating care with other public and private health care providers, what portion of new capacity will be dedicated to accepting DHS referrals, has a system in place to electronically report data outlined in the guiding principles section of this RFA or will have such a system in place by the end of the contract period.	20%
Agency is capable of measuring, tracking and reporting health outcomes and has a demonstrated quality/ performance function within its agency.	20%
Application leverages outside funding and is sustainable after funding ends.	10%
Total	100%

Criteria for Funding Infrastructure Projects	
Application significantly increases access to patient care in underserved areas of SPAs 1, 2, 3, 6, 7, and 8 and clearly demonstrates the cost benefit of the proposed project.	40%
Applicant has a demonstrated presence in the community and a historical track record of providing good, quality health care to the community.	30%
Project plan is realistic, appropriate and can be accomplished within twenty-four (24) months of the effective date of the agreement. Applicant has plan in place to leverage the County funds and is sustainable after three (3) years.	30%
Total	100%

NOTE: New site(s) of new or current PPP Program providers will be given priority over projects that expand existing sites.

Only applications that pass Phase Two with a score of at least seventy percent (70%) will be considered for Clinic Capacity Expansion Program contracts.

DHS reserves the right to invite Eligible Applicants to make verbal presentations and/or conduct site visits if appropriate.

8.0 Protest Rights

The County will consider any protest or objection regarding applications not recommended for award of a contract under this RFA, if such protest or objection is received in writing by the DHS manager as indicated below, within ten (10) calendar days of applicants' notification by facsimile/fax or postmarked mail, whichever occurs first, that the applicant's application is not being recommended for a contract award by the Director.

Protests or objections shall clearly identify this RFA, be clear and specific in meaning, and typewritten. The response envelope must be correctly addressed and plainly read: RFA FOR CLINIC CAPACITY EXPANSION PROJECT- PROTEST/OBJECTION, in the lower left-hand corner. Protests or objections must be received within the ten (10) calendar days as described, either in person or by mail to the following address:

Department of Health Services
313 N. Figueroa St. 6th Floor East
Los Angeles, CA. 90012
Attention: Kathy Hanks, Director
Contract Administration and Monitoring

Written protests or objections received any time after ten (10) calendar days, as described above, will be automatically disallowed. For purposes of the protest process, fax or internet (i.e., electronic mail/E-mail) transactions will not be accepted. The COUNTY WILL TAKE NO RESPONSIBILITY FOR THE RECEIPT OR HANDLING OF PROTEST OR OBJECTION RESPONSES THAT ARE NOT RECEIVED BY THE PERSON INDICATED ABOVE BY THE STATED DEADLINE. Applicants will be notified by the Interim Director of the decision on any protest or objection which is received by DHS in a timely manner. Such notification will explain the basis for the decision. The Interim Director's decision on any protest or objection will be final.